

*Annual Report*

**FIRST ORENADA MINES LIMITED**

(No Personal Liability)



**FOR THE YEAR ENDED DECEMBER 31, 1967**

# FIRST ORENADA MINES LIMITED

(No Personal Liability)

## AUTHORIZED CAPITALIZATION

\$5,000,000.00 divided into 5,000,000 shares of the par value of \$1.00 each.

## DIRECTORS

M. J. BOYLEN, D.C.L., D.Sc. - - - - Toronto 18, Ontario  
DAVID W. GORDON - - - - - Toronto, Ontario  
M. W. MacDOWELL - - - - - Brockville, Ontario  
GORDON L. MOORE - - - - - Islington, Ontario  
PHILIP E. BOYLEN - - - - - Willowdale, Ontario

## OFFICERS

M. J. BOYLEN - - - - - President  
M. W. MacDOWELL - - - - - Vice-President  
DAVID W. GORDON - - - - - Vice-President  
GORDON L. MOORE - - - - - Secretary-Treasurer  
CHARLES B. BRANNIGAN - - - - - Assistant-Secretary

## HEAD OFFICE

c/o RAYMOND CARON, Q.C.  
22nd Floor, 630 Dorchester Boulevard West, Montreal 2, Quebec

## EXECUTIVE OFFICE

908 - 330 Bay Street - - - - - Toronto, Ontario

## TRANSFER AGENTS AND REGISTRAR

GUARANTY TRUST COMPANY OF CANADA  
366 Bay Street, Toronto, Ontario, and  
427 St. James Street West, Montreal, Quebec



# FIRST ORENADA MINES LIMITED

(No Personal Liability)

## *Directors' Report*

To the Shareholders:

The financial statements of the Company for the fiscal year ended December 31, 1967, notes relevant thereto and the Report of the Auditors, are submitted herewith.

### **Nepisiguit River Area — New Brunswick**

The option on the group of thirty-one claims in the Nepisiguit River area, New Brunswick which were drilled to check geophysical responses during the year of 1966, was abandoned.

### **Township of Bourlamaque — Quebec**

The Company's Bourlamaque, Quebec, mining property consisting of fifty-one mining claims held under development licence and comprising an area of approximately 1,984 acres was maintained in good standing. No exploration work was carried out thereon during the past year. Some exploration work is now being performed by other companies in this area, the results of which could have a beneficial effect on the Company claims.

### **Baie Johan Beetz Area — Quebec**

Your Company owns a group of fifteen claims along the north perimeter of the granite stock north of Baie Johan Beetz area where large uranium explorations were carried out during 1967. An airborne scintillometer survey failed to indicate any radioactive zones on the First Orenada claims. However, favourable pegmatite rocks are known to occur and base metal mineralization has been noted in basic rocks on strike of these formations to the East. It is planned to carry out prospecting of the claim group in 1968.

### **General**

Your Company will continue its policy of prospecting and exploration of mining claims and areas in search of an economic ore body.

On behalf of the Board of Directors,

M. J. BOYLEN,

President.

Toronto, Ontario.  
April 2nd, 1968.

MCDONALD, CURRIE & CO.

CHARTERED ACCOUNTANTS

INTERNATIONAL FIRM  
COOPERS & LYBRAND

TELEPHONE 366-2551  
120 ADELAIDE STREET WEST  
TORONTO 1, CANADA

AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the balance sheet of First Orenada Mines Limited (No personal liability) as at December 31, 1967 and the statements of deficit, deferred expenditures and source and use of funds for the year then ended and have obtained all the information and explanations we have required. Our examination included a general review of the accounting procedures and such tests of the accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion and according to the best of our information and the explanations given to us and as shown by the books of the company, these financial statements are properly drawn up so as to exhibit a true and correct view of the state of affairs of the company as at December 31, 1967 and the results of its operations and the source and use of its funds for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

*McDonald, Currie & Co.*

TORONTO, ONTARIO  
March 4, 1968

CHARTERED ACCOUNTANTS



# FIRST ORENADA MINES LIMITED

(No Personal Liability)

## *Balance Sheet as at December 31, 1967*

### ASSETS

|  | 1967           | 1966           |
|--|----------------|----------------|
|  | \$             | \$             |
| <b>Current assets</b>  |                |                |
| Cash .....   | 8,727          | 3,569          |
| Accounts receivable .....  | 8,991          | 1,605          |
|  | <u>17,718</u>  | <u>5,174</u>   |
| Investments in and advances to other mining companies (note 1) .....   | 50,071         | 141,971        |
| Government of Canada Bond .....  | —              | 1,000          |
| Mining Properties — at cost (notes 2 and 3),<br>Consideration being shares equivalent to 250,000 shares of capital stock as<br>presently constituted together with \$611 in cash ..... | 50,611         | 57,615         |
| Deferred Expenditures — at cost (note 3) .....   | 366,697        | 368,667        |
|  | <u>485,097</u> | <u>574,427</u> |

### LIABILITIES

|  |     |     |
|--|-----|-----|
| <b>Current liabilities</b>                     |     |     |
| Accounts payable and accrued liabilities ..... | 785 | 200 |

### SHAREHOLDERS' EQUITY

|  |                |                |
|--|----------------|----------------|
| <b>Capital stock (note 4)</b>  |                |                |
| Authorized —   |                |                |
| 5,000,000 shares of the par value of \$1 each                        |                |                |
| Issued and fully paid —  |                |                |
| 1,187,500 shares .....   | 1,187,500      | 1,187,500      |
| Discount on shares .....   | 937,091        | 937,091        |
|  | <u>250,409</u> | <u>250,409</u> |
| Contributed Surplus — arising on the reorganization of capital ..... | 526,227        | 526,227        |
|  | <u>776,636</u> | <u>776,636</u> |
| Deficit .....  | 292,324        | 202,409        |
|  | <u>484,312</u> | <u>574,227</u> |
|  | <u>485,097</u> | <u>574,427</u> |

Approved on behalf of the Board:

M. J. BOYLEN, Director.

G. L. MOORE, Director.

# FIRST ORENADA MINES LIMITED

(No Personal Liability)

## *Notes to Financial Statements*

FOR THE YEAR ENDED DECEMBER 31, 1967

1. Investments in and advances to other mining companies:

|                               | Shares        |              | Advances      |
|-------------------------------|---------------|--------------|---------------|
|                               | Cost          | Market Value |               |
|                               | \$            | \$           | \$            |
| Captain Mines Limited         |               |              |               |
| 16,000 shares .....           | 1,600         | 2,320        | 18,585        |
| Wesley Mines Limited          |               |              |               |
| 55,000 shares .....           | 5,500         | 1,100        | 17,379        |
| Northern Canada Mines Limited |               |              |               |
| 3,000 shares .....            | 7,007         | 3,840        | —             |
|                               | <u>14,107</u> | <u>7,260</u> | <u>35,964</u> |

2. Mining properties:

These consist of:

(a) A group of 51 claims located in the Laurentides Mining Division, Township of Bourlamaque, Quebec.

(b) A group of 15 claims located in the Johan Beetz Area, District of Duplessie, Quebec.

During 1967 the company abandoned an option on 31 claims located in Nepisiquit River area, Parish of Bathurst, County of Gloucester, New Brunswick.

3. The amounts shown for mining properties and deferred expenditures represent costs to date and are not intended to reflect present or future values.

4. Since its incorporation on November 21, 1938 the company has issued the following shares:

|                         | Number<br>shares | Par value<br>\$  | Discount<br>\$ | Net<br>\$      |
|-------------------------|------------------|------------------|----------------|----------------|
| For cash .....          | 833,777          | 833,777          | 608,147        | 225,630        |
| For services .....      | 41,223           | 41,223           | 35,194         | 6,029          |
| For mining claims ..... | 312,500          | 312,500          | 293,750        | 18,750         |
|                         | <u>1,187,500</u> | <u>1,187,500</u> | <u>937,091</u> | <u>250,409</u> |

### STATEMENT OF DEFICIT FOR THE YEAR ENDED DECEMBER 31, 1967

|   | \$             |
|---|----------------|
| Balance — beginning of year .....             | 202,409        |
| Loss on sale of securities .....              | 70,720         |
|   | <u>273,129</u> |
| Option on Parish of Bathurst claims abandoned |                |
| Option payment .....                          | 7,500          |
| Exploration expenditures thereon .....        | 11,695         |
|   | <u>19,195</u>  |
| Balance — end of year .....                   | <u>292,324</u> |



# FIRST ORENADA MINES LIMITED

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## STATEMENT OF DEFERRED EXPENDITURES FOR THE YEAR ENDED DECEMBER 31, 1967

|  | Balance<br>December<br>31, 1966<br>\$ | Year ended<br>December<br>31, 1967<br>\$ | Balance<br>December<br>31, 1967<br>\$ |
|--|---------------------------------------|--|---------------------------------------|
| <b>Exploration</b>   |                                       |  |                                       |
| Diamond drilling .....                                       | 237,874                               | —  | 237,874                               |
| Surface exploration .....                                    | 24,451                                | 1,114                                    | 25,565                                |
| Assaying .....   | 4,551                                 | —  | 4,551                                 |
| Maps and blueprints .....                                    | 756                                   | 70                                       | 826                                   |
| Mining licences .....  | 15,855                                | 1,649                                    | 17,504                                |
| Taxes, fees, etc. ....                                       | 13,866                                | —  | 13,866                                |
| General expense .....  | 789                                   | —  | 789                                   |
| Surveys .....  | 19,629                                | —  | 19,629                                |
| Travel expense — mine .....                                  | 2,096                                 | 290                                      | 2,386                                 |
| Camp and cookery .....                                       | 6,396                                 | 346                                      | 6,742                                 |
|  | <u>326,263</u>                        | <u>3,469</u>                             | <u>329,732</u>                        |
| <b>Deduct:</b>   |                                       |  |                                       |
| Amount written off on abandonment of mining properties ..... | 1,126                                 | —  | 1,126                                 |
| Amount written off on abandonment of options .....           | 15,369                                | 11,695                                   | 27,064                                |
| Sundry exploration expenditures written off .....            | 5,573                                 | —  | 5,573                                 |
|  | <u>22,068</u>                         | <u>11,695</u>                            | <u>33,763</u>                         |
| <b>Administrative and general</b>                            |                                       |  |                                       |
| Advertising .....  | 430                                   | 78                                       | 508                                   |
| Legal and audit .....  | 11,233                                | 450                                      | 11,683                                |
| Interest and bank charges .....                              | 64                                    | —  | 64                                    |
| Head office expense .....                                    | 29,425                                | 2,700                                    | 32,125                                |
| Postage and office supplies .....                            | 5,188                                 | 546                                      | 5,734                                 |
| General expense .....  | 400                                   | 11                                       | 411                                   |
| Security registration fees .....                             | 8,591                                 | 220                                      | 8,811                                 |
| Telephone and telegraph .....                                | 1,980                                 | 69                                       | 2,049                                 |
| Transfer agent and registrar fees .....                      | 9,454                                 | 772                                      | 10,226                                |
| Travel expenses .....  | 6,177                                 | 121                                      | 6,298                                 |
| Capital and place of business tax .....                      | 1,629                                 | 35                                       | 1,664                                 |
| Insurance .....  | 786                                   | —  | 786                                   |
| Bad debt expense .....                                       | 779                                   | —  | 779                                   |
| Shareholders' reports .....                                  | 3,770                                 | 582                                      | 4,352                                 |
| Directors' fees .....  | 3,600                                 | 700                                      | 4,300                                 |
|  | <u>83,506</u>                         | <u>6,284</u>                             | <u>89,790</u>                         |
| Interest earned .....  | 19,034                                | 28                                       | 19,062                                |
|  | <u>64,472</u>                         | <u>6,256</u>                             | <u>70,728</u>                         |
| <b>Deferred expenditures</b> .....                           | <u>368,667</u>                        | <u>( 1,970)</u>                          | <u>366,697</u>                        |

# FIRST ORENADA MINES LIMITED

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## STATEMENT OF SOURCE AND USE OF FUNDS FOR THE YEAR ENDED DECEMBER 31, 1967

|   | 1967<br>\$    | 1966<br>\$    |
|---|---------------|---------------|
| Source of funds                                       |               |               |
| Proceeds from sale of securities .....                | 21,291        | 2,051         |
| Proceeds from sale of Government of Canada bond ..... | 889           | —             |
|   | <u>22,180</u> | <u>2,051</u>  |
| Use of funds  |               |               |
| Deferred expenditures .....                           | 9,725         | 42,417        |
| Purchase of mining properties .....                   | 496           | —             |
| Option on mining properties .....                     | —             | 7,500         |
|   | <u>10,221</u> | <u>49,917</u> |
| Increase (decrease) in working capital .....          | 11,959        | (47,866)      |
| Working capital — beginning of year .....             | <u>4,974</u>  | <u>52,840</u> |
| Working capital — end of year .....                   | <u>16,933</u> | <u>4,974</u>  |